Ancoris

Optimising Marketing Spend Using Data & AI:

Our 5 Steps for Success

Introduction

In this white paper, we share 5 steps that will allow you to turn data from being your biggest headache into your greatest opportunity, letting you optimise your marketing spend and demonstrate the value that you and your team bring to the rest of the business.

Like most CMOs, you're probably working with a smaller marketing budget today than you were in 2019. Based on the findings of its latest annual CMO Spend Survey, Gartner estimates marketing spend has been cut from around 11% of revenues at the start of 2020 to just 6.4% of revenues in 2021. Yet a separate survey by Gartner found CEOs named growth as their top business priority, with CMOs expected to play their part in enabling that.

However, most CMOs will face an uphill struggle if they ask the board to increase the marketing budget to allow them to meet these goals. Research by the CMO Council found that 57% of marketers think their CEO is only moderately satisfied with their marketing team's performance. This is backed up by the results of Deloitte's twice yearly CMO Survey, which found CMOs are under greater pressure than ever before from CEOs and CFOs to justify their marketing spend.

Pressure to prove the impact of marketing from:

CEOs
Up by 58.7%

CFOs
Up by 45.1%

Source: Deloitte

CMOs clearly need to be able to demonstrate that they're getting the best possible return from their budget while also proving their marketing activities are delivering value to the business. Yet CMOs appear to have lost faith in the ability of marketing analytics to provide them with the hard facts to make their case. Gartner found that spending on marketing analytics is no longer among the top three priorities for CMOs, even though the strong shift from traditional to digital channels means marketing teams have access to more data than ever before.

57%
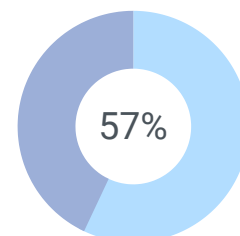
57% of marketers think their CEO is only moderately satisfied with the marketing team's performance.
Source: The CMO Council/Televerde

Why are traditional marketing analytics failing CMOs?

Traditional marketing analytics can deliver poor results for several reasons, including:

Siloed Data: Data about different kinds of marketing activity is typically held in a range of different systems, even within a particular category such as paid digital advertising. Marketing teams have often invested in multiple (partly redundant) point solutions to provide reporting on each of these sources — yet still have to spend time and effort combining results from different tools before they can get complete answers to their questions.

Poor Data Quality: If the data you're using as the basis of your marketing analysis is wrong, then the insights you get from your marketing analytics solution will also be wrong. Data straight from the source isn't always in the best shape. It may contain errors, be allocated against the wrong campaign, missing entirely because a system failure meant it wasn't processed or provided correctly, or contradict data coming from another system, with no way to tell which value is correct.

More (And More And More) Data: With marketers shifting the bulk of their budget to digital and social channels — accounting for nearly three quarters of channel spend in 2021, according to Gartner — CMOs have more data than ever to feed into their marketing analytics. Yet traditional marketing analytics solutions can struggle to provide answers quickly enough when working with today's data. From increased data to relevancy, data becomes more complex..

Slow And Inflexible Reporting: Not only is data sometimes arriving on your desktop when it's no longer fresh, but traditional marketing analytics tools often don't support the kind of freewheeling exploration of data that leads to innovative insights and better decisions. Too many marketing analytics tools only let you look at a fixed set of reports. Tasks as simple as customising your report view can be overly complicated, often requiring to wait for your IT team or data analysts to write a new report. Otherwise you could be left to manually copy the data into another tool like a spreadsheet and spend time manually manipulating it.

Scarce Technical Skills: The bottleneck of having to call on technical experts to advance your marketing analytics capabilities can't be easily solved by hiring more people. Leaving aside the significant cost implications, you'll be battling a skills shortage — which is set to get worse as more companies recognise the benefits to the bottom line of becoming data driven.

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The good news is that marketing analytics doesn't need to be complicated. A new generation of modern, cloud-based data analytics solutions is making it easier to:

- ☑ Collect, combine and work with all your data in one place
- ☑ Handle large amounts of data — at speed
- ☑ Import, clean and transform data — automatically and reliably
- ☑ Use advanced analytics to take your marketing to the next level
- ☑ Provide timely actionable insights to drive decision making
- ☑ Use a single platform to provide an overview of all the data

The rest of this white paper looks at the 5 steps you should take to successfully implement an effective, modern, cloud-based marketing analytics solution that will allow you to optimise your marketing spend.

1 Identify what you want to get out of your marketing analytics

With a modern cloud-based marketing analytics solution, you can move beyond looking at simple metrics like click-through rates, conversions or even sales generated for every marketing pound spent. Instead, you can start exploring questions about the profitability, lifetime value or churn rates for different customer segments, or model the effect on sales and profits of using your promotions budget in different ways.

We recommend that you start your journey to better marketing analytics by brainstorming all the questions you'd really like answered. The power of a modern data analytics solution is that it's flexible enough that you'll be able to use the same infrastructure to answer all these different questions — and questions you haven't even thought to ask yet. Then, pick one question to pilot your new marketing analytics solution.

At this stage, you should also think about who needs the answers to those questions, in what format and how quickly. Your board will probably want a simple weekly dashboard with some high level KPIs, while your brand managers will want daily reports that allow them to dig down into the details.

Becoming a data-driven business can:

Increase sales by
up to 30%

Boost profits
by 6%

Source: Experian Data Quality/MIT's Centre for Digital Business

2 Identify your key data sources

Of course, you can only get answers if the data is available, but in the age of digital marketing, you're more likely to be drowning in data rather than lacking it. So the next step is to carry out a "data audit" to identify all the data you're gathering and where it's being collected.

Your data will come from both external and internal sources and likely include data on:

- Keyword spend and performance
- Social channel spend and performance
- Customer journeys through your website and mobile apps
- Tracked responses from email campaigns
- Affiliate and partner activity, performance and fees
- Offline advertising and event spend and performance
- Customer activities such as orders, returns and complaints from your CRM, sales, ecommerce and finance systems

Each kind of data can be described in terms of number of attributes:

- Where it's coming from
- It has a clear structure such as the data that makes up a customer order
- It is less structured such as the text and images in social media posts
- How much of it there is
- How often the data changes
- How accurate and complete it is
- What value it provides in delivering business insights — and how quickly it loses that value

The attributes for any particular set of data will dictate how you get it into your marketing analytics solution, how often you import and process it, and how often you report on it.

We'll look at how to make that happen in later steps.

3 Choose the right data analytics platform

Cloud computing has challenged the old world of traditional marketing analytics. Highly scalable cloud solutions can deliver answers quickly, no matter how much data you have and how much it needs to be transformed. With modern cloud solutions, you can get your first application running in weeks, not months, yet be confident the platform will grow with your business, able to handle all your marketing analytics needs in one place and with no need to implement separate solutions for different needs. Finally, easy-to-use tools let business users explore their data and create beautiful reports, while putting advanced data analytics within the reach of every organisation.

Yet not all cloud-based solutions are created equal. When choosing your marketing analytics platform, you should look for a solution that's:

- **Highly scalable and future-proof.** You may not need that capability initially, but you should be confident your platform can grow with you.

- **Flexible**, able to automatically scale on-demand to match your current needs.

- **Affordable, with a low total cost of ownership.** You should only be paying for the resources you use, when you use them, with no standing charges or set-up costs.

- **Easy to manage**, with no set up or tuning required. You should just be able to activate it and use it, letting you spend your time analysing, not administering.

- **Part of a wider ecosystem** that will let you easily extend the capabilities of the core platform.

- **Secure**. Your data is one of your most precious assets and you should be looking for a solution that allows you to tightly control the data each person can access and work with, down to the level of individual records or columns.

4 Ingest your data into your analytics solution and get it in shape

A key step when setting up your marketing analytics solution is to build a reliable and fast infrastructure to automatically bring in data from your source systems. You may need the support of a technical expert from your IT team or marketing analytics vendor for this step, although today's modern analytics platforms often include easy-to-use tools with point-and-click interfaces that allow people who understand their data but don't have coding or database skills to build these pipelines themselves.

Once your data is loaded, your marketing analytics system should automatically clean and transform it ready for use. For example, you should be able to add rules to automatically handle obvious errors and missing or duplicate data, but your marketing team should be able to easily manually review and correct data when necessary.

The final step is to organise your data to allow you to generate dashboards and reports quickly, even when working with large datasets. This can intelligently merge customer data drawn from multiple sources to create a complete picture of everything you know about each customer.

A good marketing analytics platform will also automatically document all the things that happen to your data from the moment you import it to the moment it's ready to serve up in a report, so it's easier to troubleshoot issues — such as data being allocated to the wrong campaign — if something does go wrong.

5 Give people access to timely, actionable insights

Modern cloud-based data analytics solutions include tools that make it easy to present the same data to different people in different ways. So you can develop a range of reports and dashboards that give each member of your team, as well as the rest of the board and managers in other departments, the information and insights they need in the best format for them to quickly take the right decisions and actions.

You should therefore take the time to work with each group to understand what questions they'd like to be able to answer and how they'd like to look at the data.

- Which metrics do they need to see?
- Do they need to be able to drill down into the details and generate custom comparisons?
- Is it useful to see the data on a map or as a heatmap?
- Do they want simple gauges and traffic lights that let them quickly see where targets aren't being met, perhaps with the option to click through to a more detailed breakdown?

Today's tools allow you to move beyond traditional tabular reports and charts with reporting that makes it easy to see what's going on.

Today's tools also help you keep your reports in step with changing business needs. If you have an idea for a fresh way to look at your existing data, your team can create a new report in minutes, without having to involve data specialists or your IT department. And because you can access your reports through any device running a web browser, your team can get the insights they need wherever and whenever they need them, and easily share them with colleagues.

Tackle your next challenge and start to innovate

Now that you've implemented a flexible, robust and scalable marketing analytics solution, you can quickly provide analytics for new challenges. You can build data pipelines and reports for a new brand or product, or add in analytics for a new channel, in just a few hours. You'll have immediate access to all the processing resources you need, without worrying about installing the right software or adding servers and storage.

You'll also have the solid technical foundation you need to take your marketing to the next level with advanced analytics techniques based on machine learning — a kind of artificial intelligence — that lets you get even more value out of your data.

For example, you could use advanced analytics to:

Model the impact on sales, profitability, basket size and customer lifetime value of different pricing and promotion strategies

Create hyper-personalised email and social media marketing campaigns and offer hyper-personalised recommendations through your digital sales channels

Automatically extract insights from complex data, such as performing sentiment analysis on social media posts, reviews and other user-generated content

In other words, by following these 5 steps, you'll be able to turn data from being your biggest headache into your greatest opportunity, letting you optimise your marketing spend and demonstrate the value that you and your team bring to the rest of the business.

Transform your marketing analytics with Ancoris

The benefits of a modern data analytics solution to solve some of your most pressing marketing analytics challenges are clear, however deploying one can seem a daunting prospect. That's why we've put together our **Ancoris CMOLab** Marketing Spend Optimisation solution. It makes it easy to bring together and analyse your own data to track marketing KPIs and ROI in real time.

Based around Google's flexible, scalable and cost-effective technologies, CMOLab can be deployed in days and allows you to focus on using data, not managing technology. It comes with a range of pre-built connectors for common sources of data, along with easy-to-use tools that allow you to reach into any data source to extract data, clean it and transform it ready for use. You can then quickly and easily build custom reports to support your decision making — without having to involve data specialists or your IT department. And CMOLab keeps your data safe while providing you with a platform that can handle all your future marketing analytics needs.

At every stage, you'll be supported by our Data and AI team. We pride ourselves in collaborating with and empowering clients to deliver leading-edge data analytics solutions on the Google Cloud Platform. This includes offering a fully managed service if you don't have any in-house technical resource.

We're not just technical experts, though. Clients tell us it's the way we do what we do — our methodology — that genuinely sets us apart. How we listen intently then immerse ourselves in your business and world, so we fully understand your challenge and can add real value. How we come back to the table with imagination, ideas and engineering skills in the form of fast prototypes — which everyone can touch and explore.

Our 'Think Big. Start Now.' way of working keeps everything moving at pace, engaging with the people who will use the technology to inform the way forward. We never forget you are the experts in your business. Our role as technologists is to help you master the best cloud technologies and shift your culture to one of continuous improvement and innovation

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